

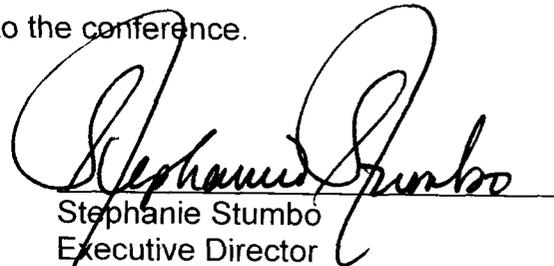
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)
ELECTRIC CORPORATION FOR:)
(I) APPROVAL OF WHOLESale TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC)
CORPORATION, (II) APPROVAL OF)
TRANSACTIONS, (III) APPROVAL TO ISSUE) CASE NO. 2007-00455
EVIDENCES OF INDEBTEDNESS, AND)
(IV) APPROVAL OF AMENDMENTS TO)
CONTRACTS; AND OF E.ON U.S., LLC;)
WESTERN KENTUCKY ENERGY CORP.,)
AND LG&E ENERGY MARKETING, INC.)
FOR APPROVAL OF TRANSACTIONS)

COMMISSION STAFF'S NOTICE OF TELECONFERENCE

The Commission Staff has scheduled a teleconference for June 26, 2008 at 10:00 a.m., Eastern Daylight Time, for the purpose of discussing the recent financial downgrade of Ambac and its implications to the issues pending in this case. Attached hereto is an E-mail from Big Rivers Electric Corporation requesting the conference and stating the telephone bridge number to connect to the conference.



Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: June 26, 2008

cc: Parties of Record

Raff, Richard (PSC)

From: Jim Miller [jmillier@smsmlaw.com]
Sent: Wednesday, June 25, 2008 10:18 AM
To: Howard, Dennis (KYOAG); Raff, Richard (PSC); John N. Hughes; Adams, Paul (KYOAG); Cook, Larry (KYOAG); allyson.sturgeon@eon-us.com; dbrown@stites.com; Michael Kurtz; dmeade@pcmmlaw.com; Samford, David S (PSC); Melissa Yates; cflyon@orrick.com; Allyson.Sturgeon@eon-us.com; dbrevitz@cox.net; Riggs, Kendrick R.; dlberesford@hhlaw.com; uecinc@att.net; Tyson Kamuf; fking@dkgnlaw.com
Cc: dspainhoward@bigrivers.com
Subject: RE: Bank of America Lease Termination and Ambac Rating Downgrade

All:

Based on the unavailability of the AG's office, and the issues that creates if Commission counsel is involved in a call in their absence, we will reschedule the conference call we had proposed for this morning for 10:00 a.m. EDT tomorrow, Thursday, June 26, 2008. The call in number is 888-476-6131, participant code 934845.

A principal purpose of the call for today was to inform the parties and Commission counsel that the Ambac downgrade, and its implications under the Big Rivers' leveraged leases has created a problem that must be solved before a closing of the unwind transaction. And because that resolution will likely impact several aspects of the filings made in Case No. 2007-00455, E.ON and Big Rivers believe the hearing scheduled to begin next Tuesday should be postponed. At this point Big Rivers does not know what the solution to the problem will be, and does not know how long any solution achieved will take to implement.

We will ask to discuss tomorrow procedural issues in Case No. 2007-00455, and any questions that anyone has regarding the letter Big Rivers e-mailed last night regarding early termination of the Bank of America lease. We point out that the three distribution cooperative cases are also set for hearing next Tuesday.

Jim Miller

Jim
 We are all in training today as of 8:00. We can be available tomorrow.

Dennis Howard, II
 Acting Director
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From: Jim Miller [mailto:jmillier@smsmlaw.com]
Sent: Tuesday, June 24, 2008 7:27 PM
To: Richard.Raff@ky.gov; John N. Hughes; Howard, Dennis (KYOAG); Adams, Paul (KYOAG); Cook, Larry (KYOAG); allyson.sturgeon@eon-us.com; dbrown@stites.com; Michael Kurtz; dmeade@pcmmlaw.com; Samford, David S (PSC); Melissa Yates; cflyon@orrick.com; Allyson.Sturgeon@eon-us.com; dbrevitz@cox.net; Riggs, Kendrick R.; dlberesford@hhlaw.com; uecinc@att.net; Tyson Kamuf; fking@dkgnlaw.com
Cc: dspainhoward@bigrivers.com
Subject: Bank of America Lease Termination and Ambac Rating Downgrade

Counsel:

Attached is a letter to the Public Service Commission ("Commission") from me, on behalf of Big Rivers, that will be sent tomorrow by

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overnight courier to the Commission, requesting an advisory opinion from the Commission Staff that no Commission approval is required for early termination of the Bank of America leases. We are getting this letter out late today because we revised the cost sharing arrangements to accommodate the concerns of the Attorney General expressed in an e-mail earlier today.

Big Rivers and E.ON U.S. request a conference call among all counsel tomorrow morning, Wednesday, June 25, 2008, at 10:00 a.m. EDT to discuss developments related to the Ambac rating downgrade, and the potential effect of those circumstances on the procedural schedule. Allyson Sturgeon will send out a conference call-in number in the morning.

Jim Miller